

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON FINANCE

Call to Order: By **CHAIRMAN BOB KEENAN**, on February 14, 2001 at 5:00 P.M., in Room 303 Capitol.

ROLL CALL

Members Present:

Sen. Bob Keenan, Chairman (R)
Sen. Tom A. Beck (R)
Sen. Greg Jergeson (D)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Debbie Shea (D)
Sen. Corey Stapleton (R)
Sen. Jon Tester (D)
Sen. Jack Wells (R)
Sen. Tom Zook (R)

Members Excused:

Sen. Ken Miller, Vice Chairman (R)
Sen. Chris Christiaens (D)
Sen. John Cobb (R)
Sen. William Crismore (R)
Sen. Royal Johnson (R)
Sen. Bea McCarthy (D)
Sen. Bill Tash (R)
Sen. Mignon Waterman (D)

Members Absent: None.

Staff Present: Prudence Gildroy, Committee Secretary
Jon Moe, Legislative Fiscal Division

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 289, 2/13/2001; SB 293,
2/13/2001

{Tape : 1; Side : A}

HEARING ON SB 289

Sponsor: SEN. JON TESTER, SD 45, Big Sandy

Proponents: Roger Hagan, Great Falls Airport Firefighters Association, International Association of Firefighters Local 3261
Lt. Col. Brad Livingston, Support Group Commander, Air National Guard
Rick Silva, Station Captain, Air National Guard Fire Department
Michael Connor, Executive Director of the Public Employees Retirement Administration
Pat Clinch, Montana State Council of Professional Firefighters

Opponents: None.

CHAIRMAN BOB KEENAN explained that SB 289 had been previously heard by the State Administration Committee, and that the hearing would be to discuss the fiscal note.

Opening Statement by Sponsor:

SEN. JON TESTER, SD 45, Big Sandy, stated that the fiscal note was for \$210,000 to \$215,000. There is an amendment that cuts that amount. The amendment puts the time that firemen can elect to go from the Public Employee Retirement System, PERS, to the Firefighters Unified Retirement System, FURS, at a later date in the second half of the second fiscal year. The bill has merit and the amendment will make the fiscal note more reasonable.

SEN. KEENAN said the amendment cuts the amount to about \$79,000.

Proponents' Testimony:

Roger Hagan, Great Falls Airport Firefighters Association, International Association of Firefighters Local 3261, stated that a prepared amendment would be forthcoming followed by a new fiscal note. The effective date for the onboard firefighters would be moved from November 1, 2001 to April 1, 2003. All new hires for the fire department effective on October 1, 2001 would be under the FURS retirement system. That will change the fiscal impact to under \$100,000.

EXHIBIT (fcs37a01) EXHIBIT (fcs37a02) EXHIBIT (fcs37a03)

Lt. Col. Brad Livingston, Support Group Commander for the Air National Guard, stated that he had a world class fire department that is known throughout the nation and locally. The facility at the Air National Guard is 49 facilities, almost 400,000 square feet with total assets of nearly \$750 billion dollars. The department also provide fire protection for the Great Falls Airport Authority and have a mutual aid agreement with Cascade County. Most recently, they responded to a fire in Black Eagle, a community that is not in the jurisdiction of Great Falls. They were one of the first fire departments on the scene. **Mr.**

Livingston expressed dismay that he has lost many employees because of retirement plans that other fire departments offer. He stated that the federal government is willing to pay the additional cost for the federal dollars to convert the firemen from PERS to FURS and asked for support of SB 289.

Rick Silva, Station Captain, Air National Guard Fire Department, explained that the department employs about 24 firefighters and lose an average of about three employees a year due to differences between PERS and the FURS retirement system. FURS includes a 20-year retirement, disability and death disbursement benefits that PERS does not. Firefighters are costly to train, approximately \$51,000 for each. The Great Falls airport pays taxes that go into the FURS account.

Michael Connor, Executive Director of the Public Employees Retirement Administration, addressed the fiscal note. He explained the change of the effective date for existing employees to elect to move into FURS. New hires would go directly into the FURS system. As a result, the fiscal impact in 2002 would be \$6300. The impact in 2003, will be \$89,000, for a total impact of \$95,000.

Pat Clinch, Montana State Council of Professional Firefighters, stated that FURS was created when several city firefighters' retirement systems were about to go broke. At that time it was thought that no more firefighters could be added into the system. He read from HB 17 of 1899, which created a disability fund for firefighters. The insurance premium tax has been used to fund the disability fund since that time. He urged passage of SB 289 in order to change the retirement age of firefighters from the current age of 60.

Closing by Sponsor:

SEN. TESTER closed on SB 289.

HEARING ON SB 293

Sponsor: SEN. STEVE DOHERTY, SD 24, Great Falls

Proponents: Brenda Nordlund, Assistant Attorney General

Opponents: None.

Opening Statement by Sponsor:

SEN. STEVE DOHERTY, SD 24, Great Falls, introduced SB 293, a bill to adopt the Montana driver privacy protection act. Federal law requires adopting a bill that provides driver privacy protections. The bill adopts those protections and goes further because of the privacy provisions in the Montana constitution. The fiscal note is a worst case scenario. The cost of compliance will probably be less.

Proponents Testimony:

Brenda Nordlund, Assistant Attorney General, who works with the Motor Vehicle Division, reiterated that the fiscal note is a worst case scenario. She emphasized that the revenue decrease on the fiscal note comes only on the vehicle registration side of their records. Changes won't be apparent until they begin to implement the system. Trying to come up with accounting numbers for costs for vehicle records that they have issued is difficult. On the vehicle side, records are sold to R. L. Polk, Experian, and dealer associations. The dealers won't be able to buy the lists any longer with this bill. The federal privacy protection act does not allow use of motor vehicle record information for direct marketing.

Opponents: None.

Questions from Committee Members and Responses:

SEN. TOM ZOOK asked what a best case scenario would look like. Dean Roberts, Administrator, Motor Vehicle Division, testified that the only state database that can be used for a mailing list in Montana by statute is the motor vehicle record database. If someone requests information on the owner of a certain license plate, the record costs six dollars, which brings in revenue of about \$195,000 per year. Some uses would be prohibited under this bill. Sales for certain uses and in certain formats, would continue to bring \$95,000 to \$100,000 in revenue. R. L. Polk resells the lists, which would be prohibited. SEN. ZOOK asked if companies used motor vehicle records for recall purposes. Mr. Roberts stated that R. L. Polk does that for all fifty states.

SEN. ZOOK asked how people would then get recall notices. **Mr. Roberts** assured him that R. L. Polk would be able to get that information. Under DPPA they have a right to that information along with insurance companies and employers. The obligation of DOJ is to make sure that records are only sold for the intended purposes of the law.

SEN. TOM BECK, said the bill was amended in committee. He wondered if the amendments would affect the fiscal note. He wondered about including representatives of the media for "legitimate law enforcement purposes" and wondered what the definition of "legitimate law enforcement purposes" was as determined by the department. **SEN. DOHERTY** said the bill was amended in committee at the suggestion of the Montana Society of Professional Journalists. Journalists have worked with DOJ over the years whenever there was an issue of public safety. They asked DOJ for driver's license pictures of "bad guys", such as Ted Kazynski and the freemen. Under the bill that is a category of "highly restricted personal information" and includes driver's license pictures and social security numbers. The society felt that language was needed in the bill to allow the DOJ the discretion to release information for legitimate criminal investigations. **SEN. BECK** hoped that the department would have the tools to refuse to release information. **Ms. Nordlund** said the DOJ had the tools and had rarely released photos upon request to journalists. Journalists have not taken the department to task for denying them. It is not anticipated that the practices of the DOJ will change substantially in the future.

Closing by Sponsor:

SEN. DOHERTY closed on SB 293.

ADJOURNMENT

Adjournment: 5:55 P.M.

SEN. BOB KEENAN, Chairman

PRUDENCE GILDROY, Secretary

BK/PG

EXHIBIT (fcs37aad)